

Amend Floor Amendment No. 1 to CSSB 2 by striking SECTION 34 of the bill and substituting the following appropriately numbered SECTION to read as follows:

SECTION _____. Chapter 26, Tax Code, is amended by adding Section 26.0446 to read as follows:

Sec. 26.0446. ELECTION TO APPLY LAW GOVERNING SMALL TAXING UNIT TO TAXING UNIT OTHER THAN SMALL TAXING UNIT. (a) The governing body of a taxing unit other than a school district or a small taxing unit may call an election for the purpose of allowing the voters in the taxing unit to determine whether the law governing a small taxing unit shall apply to the taxing unit.

(b) At the election, the ballots shall be prepared to permit voting for or against the proposition: "Limiting the rate at which the maintenance and operations taxes of the (name of taxing unit) may be increased without voter approval to eight percent rather than 3.5 percent."

(c) If a majority of the votes cast in the election favor the proposition, the taxing unit is considered to be a small taxing unit regardless of whether it meets the definition of a small taxing unit under Section 26.012.

(d) Unless the authority to be considered to be a small taxing unit is reauthorized as provided by Subsection (e), that authority expires on:

(1) January 1 of the sixth tax year after the year in which the original election was held; or

(2) January 1 of the sixth tax year after the year in which the authority to be considered a small taxing unit was last reauthorized under that subsection.

(e) An election to reauthorize the authority to be considered to be a small taxing unit is called and held in the same manner as an election to provide the initial authority, except that the ballots shall be prepared to permit voting for or against the proposition: "Reauthorizing the authority to limit the rate at which the maintenance and operations taxes of the (name of taxing unit) may be increased without voter approval to eight percent rather than 2.5 percent." If at least 3/5 of the votes cast in the election favor the reauthorization, the taxing unit is considered

to be a small taxing unit regardless of whether it meets the definition of a small taxing unit under Section 26.012, subject to Subsection (d)(2).

(f) If a majority of the votes cast in an election called under Subsection (a) or (e) do not favor the proposition:

(1) the taxing unit may not be considered to be a small taxing unit unless the taxing unit meets the definition of a small taxing unit under Section 26.012; and

(2) the governing body of the taxing unit may not order another election on the issue before the first anniversary of the date the previous election was held.